

441—86.8(514I) Premiums and copayments.

86.8(1) *Income limit.* No premium shall be assessed when countable income is less than 150 percent of the federal poverty level for a family of the same size. When countable income is equal to or greater than 150 percent of the federal poverty level for a family of the same size, participation in the program is contingent upon the payment of a monthly premium.

EXCEPTION: No cost sharing shall be imposed on eligible American Indian or Alaskan Native children regardless of family income.

86.8(2) *Premium amount.* The premium amount shall be \$10 per month per child up to a maximum of \$20 per month per family.

86.8(3) *Due date.*

a. Initial premium. When the third-party administrator notifies the applicant that the applicant is eligible to participate in the program, the applicant shall pay any premiums due within ten working days. No premiums shall be assessed for months of coverage before, and including, the month of decision.

(1) All premiums due must be paid before the child will be enrolled for coverage. When the premium is received, the third-party administrator shall notify the plan of the enrollment.

(2) At the request of the family, the initial premium due date may be extended once for no more than ten calendar days. The request must be made on or before the due date.

(3) A premium received by the third-party administrator after the due date shall be considered as paid timely when the envelope is postmarked on or before the due date.

(4) An application shall be denied when the third-party administrator receives a premium postmarked after the due date.

b. Ongoing premiums. After the initial month of coverage, premiums are due by the tenth day of each month for the next month's coverage and must be postmarked no later than the last day of the month before the month of coverage.

(1) Failure to pay the premium by the last day of the month before the month of coverage shall result in disenrollment from the plan.

(2) Premiums may be paid in advance (e.g., on a quarterly or semiannual basis) rather than a monthly basis.

86.8(4) *Reinstatement.* A child may be reinstated once per enrollment period when the family fails to pay the premium by the last day of the month before the month of coverage. However, the premium must be paid or postmarked within the calendar month following the month of nonpayment and the premium must be paid in full in order for reinstatement to occur.

86.8(5) *Method of premium payment.* Premiums may be submitted in the form of cash, personal checks, automatic bank account withdrawals, or other methods established by the third-party administrator.

86.8(6) *Failure to pay premium.* Failure to pay the premium in accordance with subrules 86.8(3) and 86.8(5) shall result in disenrollment from the plan and cancellation from the program unless the reinstatement provisions of subrule 86.8(4) apply. Once a child is disenrolled and canceled from the program due to nonpayment of premiums, the family must reapply for coverage.

86.8(7) *Copayment.* There shall be a \$25 copayment for each emergency room visit if the child's medical condition does not meet the definition of emergency medical condition.

EXCEPTION: A copayment shall not be imposed when family income is less than 150 percent of the federal poverty level for a family of the same size or when the child is an eligible American Indian or Alaskan Native.